



Labor & Economic Briefing

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Here is a summary of headlining accomplishments from the last 30 days:

Encouraging Economic & Urban Development

State Assistance Backs Restoration Of Book-Cadillac Hotel for \$142.5 Million Downtown Detroit

Project: The \$142.5 million restoration of Detroit's Book-Cadillac Hotel has moved one step closer to reality thanks to assistance from the Michigan Economic Development Corporation (MEDC). Once renovations are complete, it is anticipated that the facility will become a four-star quality Renaissance Hotel operated by Marriott International. The Michigan Economic Development Corporation recommended a Brownfield Redevelopment Credit of 10 percent of the eligible investment, up to \$10 million, which was approved on April 15.

Global Engine Alliance Engine Facility in Dundee a "Go": Assistance from the Michigan Economic Development Corporation (MEDC) helped convince Global Engine Alliance, LLC to choose Dundee for its engine manufacturing facility, which is expected to generate 1,136 jobs for Michigan workers. Global Engine Alliance is a joint venture between DaimlerChrysler, Hyundai, and Mitsubishi. The facility will produce a new family of 4-cylinder aluminum engines to be used in vehicles of all three automotive partners. The facility is expected to create 172 new jobs in the first year of operation and 400 new jobs over a five-year period. According to an economic analysis conducted by the University of Michigan, another 736 jobs could be created indirectly as a result of the increased economic activity the plant will generate. Global Engine Alliance had considered locating the new facility and jobs in two other Midwest states. In February, the MEDC awarded Single Business Tax credits worth up to approximately \$14.4 million over a 20-year period and up to \$400,000 in Economic Development Job Training grants to encourage the company's decision for Dundee.



**Governor
Jennifer M.
Granholm**

Multiple Company Expansions Mean 1,300 New Jobs for Michigan: Four companies will expand their business operations here in Michigan instead of other competitive locations since the Michigan Economic Development Corporation (MEDC) sold these businesses on the state's quality of life, competitive tax base and beautiful environment. These expansions are expected to create more than 1,300 new jobs for Michigan workers. The four projects will provide a total of more than \$55 million in revenue to the state over the life of the Single Business Tax credits, resulting in a net positive gain for the state of more than \$50 million after the credits. The projects are expected to generate more than \$722 million in personal income during that time. The four projects include:

1. Grupo Antolin Michigan will take over the former Lear facility in Marlette to fabricate interior trim components and systems for the automotive industry. According to an economic analysis conducted by the University of Michigan, it is estimated that the company's operations will generate a total of 566 jobs in the state by the year 2013, including up to 214 directly by the company. MEDC offered an incentive package, including a Single Business Tax credit valued at \$2.1 million over 10 years, to help attract Grupo Antolin to Michigan rather than expanding an existing facility in Mexico.

2. Gordon Food Service Inc. will construct a 200,000 square foot facility in Green Oak Township rather than a competing site in Toledo, Ohio. The company's decision was tied to a Single Business Tax credit worth more than \$1.1 million over 12 years offered by the MEDC. The new facility will result in the creation of 232 new jobs, including 150 directly by Gordon Food Service.

3. Ironwood Plastics, Inc. is building a new facility in the Houghton County Airpark Renaissance Zone in Franklin Township to expand their production capacity. The new facility's operations will result in the creation of 146 new jobs, including up to 96 directly by the company. A Single Business Tax credit worth more than \$600,000 over a 13-year period persuaded the company to expand in Ironwood rather than another company facility in Two Rivers, Wisconsin. Because the site is within a designated Renaissance Zone, the new operations will also be exempt from most state and local taxes.

4. Inalfa Roof System expands into Grand Blanc Township with up to 383 new jobs, including 161 directly by the company. The automotive roof system company plans to lease an existing 15,000 square foot facility, which would then be expanded to 50,000 square feet. Inalfa was offered an incentive package, including a Single Business Tax credit valued at more than \$1.9 million over the next 10 years, to expand in Michigan rather than the company's existing facility in Oklahoma City.

Downtown Development Grants Awarded: The MEDC awarded \$3.8 million in federal Community Development Block Grant funds to 15 communities for downtown redevelopment projects. These projects are expected to spur \$37 million in new private investments and create more than 280 new jobs, and were chosen from 26 communities that competed for the funding. Communities receiving the grants include (in alphabetical order): Bangor, Cassopolis, Charlotte, Columbiaville, Fennville, Gladwin, Hastings, Howell, Imlay City, Milan, Niles, Onaway, Pinconning, Port Hope and Tittabawassee Township.

New National Life Sciences Lab: A life sciences collaborative team made up of three Michigan universities and the Van Andel Institute has recently received approval to construct a new high-tech Michigan research lab at the Argonne National Laboratory in Argonne, Illinois. This new lab, made possible through Life Sciences Corridor funding, will give Michigan life scientists easier, quicker and more reliable access to Argonne's multi-billion dollar source of intense X-rays. The establishment of this lab will make Michigan one of only three states to have put such a major financial stake into this technology at the Argonne Laboratory. Construction on the new Michigan lab is underway and expected to be completed in summer 2005.

Successful Commercialization: Three Michigan life sciences companies are in the process of successfully launching new cutting edge life sciences products as a result of Corridor funding. DNA Software (Ann Arbor) is launching a comprehensive, simulation-based computer software environment for the design of DNA-based microarrays. Rubicon Genomics (Ann Arbor) is commercializing a novel method for sequencing DNA and has a homeland security contract to sequence DNA that is present in very low amounts. GeneGo (New Buffalo) has announced the commercial launch of their MetaCore platform, a computational program that provides analytical tools, data content, and algorithms for understanding human diseases.

Two Brownfield Redevelopments Approved: Brownfield Single Business Tax credits were recently approved for two redevelopment projects in the cities of Detroit and Holland. The Detroit project involves converting a contaminated site on the northwest corner of Mack and Alter into a neighborhood retail center consisting of a retail store, deli and gas station. About \$1.5 million in private investment will be devoted to this project. The Holland project involves redeveloping a functionally obsolete property into a 28-unit, high-end residential complex. About \$5 million in private investment will be devoted to this project.

Small Tech Ranking: Small Times magazine has named Michigan one of the top states in the race to become the nation's center for the small tech industry. Michigan came in ninth in the annual small tech hot spots rankings found in the March/April issue. When comparing the volume of MEMS and microsystems companies by state, Michigan came in third place nationally. The rankings are based on criteria used by economists who specialize in emerging technology hubs. The magazine attributes Michigan's entry into the rankings to smart initiatives and cooperative partnerships. The top ten states in the Small Times ranking are: California, Massachusetts, New Mexico, Arizona, Texas, Maryland, New York, Illinois, Michigan and Pennsylvania. For the complete article, visit <http://www.smalltimes.com>.

Protecting Worker Safety

CIS Presents Rexair's Cadillac Plant with MIOSHA Ergonomic Innovation Award: Rexair Inc.'s Cadillac plant received the Ergonomic Innovation Award from the Michigan Department of Consumer & Industry Services (CIS). The CIS Bureau of Safety and Regulation (BSR) is responsible for administering the Michigan Occupational Safety and Health Act (MIOSHA). The BSR Consultation Education & Training (CET) Division issues the Ergonomic Innovation Award to employers for innovative ideas that have been implemented to reduce worker strain. The Cadillac facility employs 300 workers and has made significant ergonomic innovations that eliminate manual lifting in three different work stations, and that reduce torque force to the hand during screw gun operations. The Rexair Cadillac facility is the manufacturer of the Rainbow® Vacuum Cleaning System. Rexair, Inc. is a multi-national corporation with over 65 years of manufacturing and sales expertise and world-wide distribution to more than 70 countries.

Assisting Jobless Workers

Newly Expanded Phone System Accepts New and Additional Unemployment Claims for Northern Michigan: The state is telling jobless workers in Northern Michigan to file their unemployment claims through its newly expanded telephone process instead of by mail. The phone process for filing unemployment claims is faster and more convenient and will save jobless workers in Northern Michigan the time and expense of driving long distances as they did in the past when applying for benefits. In addition, the telephone filing process gives workers immediate confirmation that their applications have been received and entered into the state's unemployment insurance system, which removes one of the major uncertainties that unemployed workers now have with the mail-in process. The state has expanded its telephone-filed claims process to now accept new claims for unemployment benefits as well as additional claims. The bureau's telephone-filed claims system has been operational in Northern Michigan since mid-January, but it has been limited to accepting only additional unemployment claims, which are existing claims that are reactivated after being interrupted by a short period of re-employment. To file by phone, jobless workers must call a special toll-free telephone number (1-866-500-0017) that has been set up to accept unemployment claims and is available to everyone north of a line extending from Muskegon to Saginaw. The system will only accept phone calls from the following area codes: 906, 231, 989, 705 and 715. Those calling from outside these area codes will be directed to file their unemployment claims by mail or through the Internet.

Workforce Transition Section (WTS) Assists Employers and Displaced Workers: The Workforce Transition Section responded to 26 notices of planned plant closures or mass layoffs in the past month. Contact was made with employers and union representatives in response to receipt of a WARN notice, letter, phone call, newspaper article, or other means of notification. A brief overview of available dislocated worker services was given, and depending on the number of jobs impacted, a formal on-site Rapid Response Meeting was scheduled or arrangements were made for the local Michigan Works! Agency to meet with the affected employees to provide information on services that are available.

Other services provided:

- ♦ Conducted 10 Rapid Response Meetings with employers (and union representatives, where employees are represented by a collective bargaining agreement) to provide detailed information on dislocated worker services and gather information on the closing/layoff that will enable Michigan Works! service providers to assist the affected workers with the transition to new employment.
- ♦ Reviewed five new Trade Act petitions filed with the Workforce Transition Section. Petitions were checked for completeness/accuracy, logged in for internal tracking purposes, and forwarded to the U.S. Department of Labor for investigation and determination.
- ♦ Conducted seven information meetings in various areas of the state for workers certified under one of nine Trade Act petition certifications issued during this period.
- ♦ Workforce Transition Section staff (three Rapid Response Consultants, two Trade Analysts, Section Manager and secretary) responded to 224 phone calls and 39 e-mails from individuals, company/union representatives, and service providers who requested information or clarification of issues related to the WARN Act, dislocated worker services, and the Trade Act.

Cutting the Red Tape in State Government

New Bureau of Construction Codes and Fire Safety Consolidates Functions to Save Costs and Improve Efficiency: The Office of Fire Safety has merged with the Bureau of Construction Codes to save costs, eliminate duplicative functions and improve efficiency for customers. The new bureau name is Bureau of Construction Codes and Fire Safety. Both the Office of Fire Safety and Bureau of Construction Codes oversee public buildings such as schools, colleges and universities as well as child care, adult foster care, correctional and health facilities. The new partnership not only eliminates duplicative functions by CIS staff at a considerable cost savings, but most importantly simplifies the process for customers who now have one place to go to get construction plans reviewed and questions answered. The Office of Fire Safety and Bureau of Construction Codes have different sets of fire safety and building construction codes to enforce and in some instances there are potential code conflicts as well as overlapping licensing and certification standards. By having the staff working more closely together within one bureau, the issues will be resolved more easily and quickly to better serve clients while keeping the health, safety, and welfare of Michigan's citizens as the highest priority. For more information, visit <http://www.michigan.gov/cis> and click on the "Construction Codes and Fire Safety" icon on the left.

State Law Now Gives Districts More Choice, Control Over School-Operated Child Day Care: As of April 1st, Michigan school districts can apply for an exemption from state child day care regulations for their school-based before and after school programs. This exemption allows the State to eliminate duplicative standards while maintaining oversight of our children's health, safety and welfare in before and after school programs. Late last year the Child Care Organization Act, P.A. 116, was amended to allow facilities or programs for school-aged children that are operated at a school by a public school, or by an individual or organization under contract with a public school, to request an exemption, or waiver from P.A. 116. There are several criteria that must be met:

- ♦ The program must be currently licensed or approved.
- ♦ The program must have been in operation and licensed/approved for a minimum of 4 years.
- ♦ During the past four years, there must not have been substantial violations of the act or administrative rules.
- ♦ The school board or board of directors must adopt a resolution supporting the application for exemption.

Under P.A. 116, the effective date for the exemption cannot be before July 1, 2003.

Protecting Consumers

MPSC Designates FTC's "Do Not Call" Registry as Michigan's List: The Michigan Public Service Commission issued an order on April 17 designating the Federal Trade Commission's do-not-call registry regulating some telephone solicitations as the Michigan do-not-call list. Public Act 612, which amended the Home Solicitation Sales Act, stated that if a federal government agency establishes a federal do-not-call list, the MPSC shall designate the federal list as the state do-not-call list. The Act regulates certain telephone solicitations and prescribes penalties and remedies for violations. Establishing the federal list as the Michigan list promotes government efficiency by avoiding unnecessary duplication of resources. In addition, customers benefit by being protected against both intrastate and interstate telephone solicitations with just one registration. Internet and telephone registration for the federal list is scheduled to begin in July 2003. Telemarketers and other sellers will be able to access the registry beginning in September 2003, and enforcement of the federal do-not-call provisions will begin in October 2003. Federal registry updates are available at: <http://www.ftc.gov/bcp/conline/edcams/donotcall/index.html>

PSC Joins Partnership for Gasoline Price Website to Protect Michigan Motorists: A new state website (<http://www.michigan.gov/gasprices>) helps inform Michigan motorists about gasoline purchases in the state and to ensure that they pay a fair price at the pump and aren't "gouged." The website, fulfilling the Governor's Executive Directive 2003-6, serves as a source of information regarding gasoline quality, quantity and pricing in the state. It was announced by Gov. Jennifer Granholm and developed cooperatively by the Michigan Departments of Agriculture (MDA) and Information Technology (DIT), in coordination with the Michigan Public Service Commission (MPSC) and the Michigan Attorney General's Office. The website features an online gasoline gouging complaint form and a searchable database for the most recent average gasoline prices by city or zip code, based on daily credit card transactions across the state. A list of the state's more than 5,200 licensed gasoline stations is also available on the site. Other components include information on MDA's toll-free hotline for gasoline quality and quantity complaints, consumer tips and information on buying gasoline, fuel-efficient driving and the difference in gasoline grades as well as links to several sites that offer additional gasoline supply and pricing information. Under the Michigan Consumer Protection Act, a retailer is prohibited from gouging, or charging a consumer a price that is "grossly in excess of the price which similar property or services are sold." In the case of gasoline, this is a figure primarily determined by comparing the wholesale and retail costs.

OFIS Encourages Investors to Learn More About Investing During Investor Education Month in April: The Office of Financial and Insurance Services (OFIS) is encouraging consumers to learn more about investing during "Investor Education Month," which is April. OFIS is promoting the national grass-roots investor education campaign to help provide investors with the information they need to make wise financial decisions and protect them from financial fraud. During the month, and throughout the year, OFIS provides financial education material on its web site and links to helpful web sites for consumers. Consumers can visit OFIS at: <http://www.michigan.gov/ofis>.

Governor Granholm Names Former Bank President as OFIS Commissioner: Governor Jennifer M. Granholm announced the appointment of Linda Watters, President and Chief Executive Officer of Detroit Commerce Bank, as the new Commissioner of the Office of Financial and Insurance Services (OFIS) on April 11. OFIS is responsible for the regulation of Blue Cross Blue Shield, 31 HMOs, 143 banks, 175 domestic insurance companies, 275 credit unions, 1,300 foreign insurance companies, 1,583 investment advisors, 2,164 securities broker-dealers, 6,000 consumer finance lenders, 75,000 insurance agents, and 120,715 securities agents. Watters, age 48 and a Dearborn resident, has more than 20 years of experience in the financial and banking industries. She was the President and CEO of Detroit Commerce Bank which she built from the ground up in 1998.

Promoting Energy Efficiency & Protecting Environment

New Commercial Energy Code Rule Update to Encourage Businesses to Reduce Energy Costs & Promote Energy Efficiency for Businesses: An update to the State of Michigan's Energy Code Rules for commercial structures, which took effect on March 13th, are expected to help businesses reduce energy costs and promote energy efficiency. The CIS Bureau of Construction Codes proposed the update to the Michigan Uniform Energy Code Rules since the previous standards were outdated and in some cases, the materials no longer existed. The new rules, which are consistent with the Federal Energy Policy Act, update the current standard for commercial structures from the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 90-A-1980 and 90-B-1975 Standard to the ASHRAE 90.1-1999 Standard. The rule update will encourage businesses to use modern technology and methods of energy conservation for new commercial construction in Michigan without being overly restrictive or costly. Some materials required by the new standards may cost a little more during construction, but will reduce future utility bills through energy efficiency. CIS has already begun the process to update the Residential Energy Code to reduce utility costs for Michigan families as well.

State Awards Grants to Five Builders to Build Energy-Efficient Houses: Director David C. Hollister presented U.S. Department of Energy grants up to \$8,000 to five Michigan builders for the state's Five Star Home Grant program to build energy-efficient houses. The Five Star Home Grant program is an incentive for Michigan builders to utilize the latest technology to reduce energy costs and pollution. As a condition of receiving the grants, the builders will be promoting these homes, showcasing the advantages of an energy-efficient home and using the homes as teaching tools for students, consumers and other builders. The grant recipients are **Harmony Home Construction, LLC (Beulah)**; **H-S Builders, LLC (Grass Lake)**; **S.M. Smith, Carpenter (Ann Arbor)**; **Suburban Builders Corp. (Lansing)**; and **SWAN Non-Profit Housing Corp. (Detroit)**. For more information, visit the Energy Office website at: <http://www.michigan.gov/energyoffice>.



Investing in Energy Research & Education

CIS Energy Office Awards Rebuild Michigan Grants to Increase Energy Savings in Traverse City, Bay College & Greater Lansing Schools: The CIS Energy Office has awarded three Rebuild Michigan grants as part of the U.S. Department of Energy's Rebuild America program designed to promote energy efficiency in communities. Information on Rebuild Michigan is also available on the CIS Energy Office website at <http://www.michigan.gov/eorebuild>. The recipients are:

1. Traverse City Light & Power (TCLP) received a \$24,000 grant to launch a Rebuild Michigan program in Traverse City. As part of this project TCLP will develop a 2-5 year energy action plan and organize a coalition that will work toward fulfilling community energy goals. TCLP will initially focus efforts on energy efficiency opportunities in public, commercial, and multi-family buildings and will encourage the installation of improvements that will yield the highest energy and cost savings. They will also incorporate energy efficient building measures and the generation of renewable energy in the redevelopment of the Traverse City State Hospital (now called "The Village at the Grand Traverse Commons"). The Village will be a mixed-use development featuring a range of commercial and multifamily residential options. There are approximately 24 buildings totaling 750,000 square feet that are targeted for energy efficient retrofits and redevelopment.

2. Michigan Technical Education Center (M-TEC) at Bay College received a \$25,000 grant to launch a Rebuild Michigan program in Delta County. As part of this project the M-TEC Energy Office will develop a 2-5 year energy action plan and organize a coalition that will work toward fulfilling community energy goals. Coalition members may include local governments, schools, energy utilities, businesses and other interested groups. The M-TEC staff will also identify energy efficiency opportunities in commercial, institutional, and/or multi-family buildings in Delta County and encourage the installation of improvements that will yield the highest energy and cost savings. Additionally, they will launch an "Energy in the Classroom" program to educate students about the environmental impact of energy generation and use, and the importance of energy efficiency.

3. Great Lakes Renewable Energy Association (GLREA) received a \$25,000 grant to launch the Rebuild Greater Lansing School project. The project will include public and private schools in Ingham, Eaton, and Clinton counties. GLREA will partner with General Motors Corporation (GM), DTE Energy (DTE), Lansing Board of Water & Light (LBWL) and Urban Options to provide technical energy assessments, energy-related curriculum, and renewable energy demonstrations to public and private schools in the Greater Lansing area. GLREA will encourage schools to install improvements that will yield the highest energy and cost savings. They will also research financing options for energy efficient installations.

Matching Employers & Workers via the Michigan Talent Bank

More Than 15,000 Jobs Posted on Talent Bank: For the month of March, Michigan Talent Bank (MTB) had 6,084 job orders posted (a 4 percent increase over February) which brings the total number of job openings to 15,689. Nearly 1,000 new businesses registered on the web site, a 15 percent increase from the previous month. During this same time frame, 34,155 new resumes were added bringing the number of total searchable resumes to 612,498. Fifteen percent of all businesses registering in the Talent Bank during the first quarter of 2003 represent the manufacturing sector.

Providing Career Development Resources

Employment Service Agency Hosts Training Events: Frederico Juarbe, Jr., assistant secretary of labor for veterans' employment and training in the U.S. Department of Labor, was the keynote speaker at the Employment Service Agency (ESA) Odyssey 2003, a training conference on partnership, performance, and professionalism held April 2-4 in Mt. Pleasant. ESA staff also assisted in a forum presented by Capital Area Michigan Works! titled "Where Are the Workers? A Regional Challenge" with 80 participants representing business, education, and economic and workforce development. An open house for adult educators and directors was held by the Office of Adult Education and the Commission on Spanish-Speaking Affairs.

Michigan Rehabilitation Services Assists Michiganians with Disabilities: The Michigan Rehabilitation Services (MRS) assisted 749 Michiganians with disabilities during March 2003. During the same period, job-related services such as training and vocational counseling were provided to 989 Michiganians with disabilities as well as disability-related services to 209 Michigan businesses. Services provided by the Michigan Career and Technical Institute near Plainwell, operated by Michigan Department of Career Development & MRS, were featured on the PBS program "Disabilities Today." Michigan Rehabilitation Services will be partnering with Adult Education to proactively meet the needs of adults with learning disabilities.

New Director Named For Michigan Rehabilitation Services: Jaye Balthazar of Lansing, a career rehabilitation professional with Michigan Rehabilitation Services since 1976, has been named the new state director effective June 30, 2003. She will replace MRS State Director Robert E. Davis, who is retiring June 27 after serving 32 years with MRS, the last five as state director. Balthazar will serve as deputy state director during the interim period.

Department of Career Development Co-Sponsors FIRST Robotics Competition: The Department of Career Development's Office of Career & Technical Preparation is working to ensure that Michigan's young people, especially girls and minorities, have many opportunities to learn about careers in engineering, science, technology, and mathematics by co-sponsoring the FIRST Robotics Competition at Eastern Michigan University, and the West Michigan Regional Competition in Grand Rapids. FIRST is the acronym of "For Inspiration and Recognition of Science and Technology." The FIRST Robotics Competition is a national engineering contest founded by inventor Dean Kamen in 1989. Students team up with engineers from businesses and get a hands-on, inside look at engineering and technical professions. Teams of high school students have six weeks to design, construct and test a robot that must perform tasks to win points and compete with other robots. Sixty-eight teams competed in the Ypsilanti regional; 45 teams competed in the Grand Rapids regional. Winners of the Michigan regional competitions advance to the national competition next week in Houston. This is the third year that MDCD has co-sponsored FIRST regional competitions in Michigan. The goal is to see a FIRST Robotics team established in every Michigan high school. The final standings and other winners of awards are available at: <http://www.usfirst.org>.

Awards Presented at Office of Career & Technical Preparation Spring Workshop: The Michigan Career Leadership Network, a professional organization for Career and Technical Education Administrators, gave out their annual awards at the Office of Career and Technical Preparation's Spring Workshop, April 11. The awards are as follows: Ralph Wenrich Award for Outstanding Contributions to Vocational Education - Roger Gustafson, Delta-Schoolcraft Intermediate School District; Edwin Ferguson Award for Leadership within Vocational Education - Dave Miller, Macomb Intermediate School District; Exemplary Career and Technical Education Program Award that reflects best practices - Van Buren Tech Center for Automotive Technical, and Hotel, Restaurant and Travel Services.

Labor Market Information Web Site Sees 8 Percent Increase in User Sessions: The state's Labor Market Information Web site posted 17,363 user sessions during the month of March, an 8 percent increase over February. The web site (<http://www.michlmi.org/>) is the official source of a wide array of information on Michigan's labor market. The Office of Labor Market Information staff completed Annual Planning Information (API) for all of the 25 Michigan Works! areas. These reports provide information and analysis on a variety of labor market trends and are a valuable resource in their workforce planning.